



State of Utah  
Department of  
Environmental Quality

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*Executive Director*

DIVISION OF SOLID AND  
HAZARDOUS WASTE  
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*Director*

JON M. F. SMAN, JR.  
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GARY HERBERT  
*Lieutenant Governor*

cc: Paul  
Doug  
Susan  
m/0471007

May 31, 2006

John Spencer  
Environmental/Senior Mining Engineer  
Simplot Phosphates LLC  
9401 North HWY 191  
Vernal, UT 84078

Subject: Review of Permit Application for Class IIIb Landfill:  
Request for Additional Information for Permit Application #9908

Dear Mr. Spencer:

The Division staff has reviewed your permit application for the operation of a Class IIIb landfill located within the mining boundaries of your mine facility. As the permit application was submitted under the ownership of SF Phosphates, the ownership information of the permit application, as well as the contact personnel, needs to be updated. The copy of the original permit application dated January 14, 2000, has been forwarded to you by email.

A review of the Annual Report submitted January 6, 2006 indicates that the current financial assurance mechanism for the closure and post-closure care of your landfill is currently a surety bond associated with the Division of Oil, Gas, and Mining (DOGM) for site reclamation. Please be informed that a permit with the Division of Solid and Hazardous Waste (DSHW) requires that the financial assurance mechanism be established such that closure and post-closure activities could be initiated by the Executive Secretary should Simplot no longer be able to perform these activities.

The requirements for financial assurance mechanisms are located in the Utah Solid Waste Permitting and Management Rules R315-309-5, *Utah Administrative Code (UAC)*. These rules specify the requirements of the surety bond when that bond is either a payment bond or a performance bond. Other financial assurance mechanisms are allowed under the financial assurance rules, R315-309 UAC should Simplot choose to consider other options. Specific requirements of a surety bond or other financial assurance mechanisms can be discussed with Blake Robertson of the DSHW. Mr. Robertson can be contacted at (801) 538-6170.

May 31, 2006

Page 2

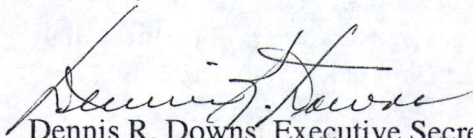
A review of the 2005 Annual Report indicated that the landfill closure and post-closure cost was estimated to be \$7,249 for landfill reclamation and that the current surety bond for final reclamation of this landfill was established for \$21,296. Generally, closure and post-closure costs need to be based on the costs that the DSHW would be required to pay to perform this work (UAC R315-309-2(3)). Consequently, cost estimates need to reflect the costs for obtaining, moving, and placing cover material; final grading, moving and placing topsoil on the final cover; seeding of the final cover; and mulching or other approve method of establishing seed growth. Cover stabilization and the cost estimate for annual inspections and maintenance should also be included in the post-closure care estimate. Post-closure care needs to occur for 30 years or until the Executive Secretary determines that the post-closure care is complete.

These cost estimates could be based either on soliciting estimates from contractors each year or by using standard costs of the various construction tasks specific to the region of Utah that you are in. A spreadsheet of these tasks should not only reflect the various estimates of the tasks and the quantity, but also a reference the document supporting the cost of the specific task element.

Please review the specific elements of the closure and post-closure cost estimate of your 2005 Annual Report. The closure and post-closure costs do not include all of the required work elements and there appears to be errors in the quantities required for the 7 1/2 acres of this landfill. Individual work elements need references of how the costs were determined. While the submitted cost estimate may be relevant if Simplot performs closure, these costs appear to be significantly underestimated when the DSHW is required to hire contractors to perform closure and post-closure care.

If you have any questions regarding this letter, please contact either Roy Van Os or Ralph Bohn at (801) 538-6170.

Sincerely,



Dennis R. Downs, Executive Secretary  
Utah Solid and Hazardous Waste Control Board

DRD/rvo/kk

c: Joseph B. Shaffer, MA, MBA, EHS, Health Officer, Tri-County Health Department  
Doug Jensen, Division of Oil, Gas, and Mining, POB 145801, SLC, UT 84114-5801